

by Jessica Williams

The topic of affordable housing buzzes in Centre County. Media from radio programs to online blogs have increasingly covered the subject over the past few months. Headlines proclaiming “Housing crunch grips area” and “Everyone must get involved in affordable housing issue” fill local newspaper pages.

Involved heavily in the recent push is the Affordable Housing Coalition, a group of concerned citizens, organizations and businesses representing all parts of the housing industry, each one contributing toward the common goal of making housing more affordable in the Centre Region.

For those following the issue, the U.S. Department of Housing and Urban Development definition of affordable housing is nothing new: If a family pays no more than 30 percent of monthly gross income for total housing costs, their housing is deemed affordable.

However, also according to the HUD Regional Analysis and the lending convention that a household can afford to purchase housing that costs three times its annual income, only those earning more than \$52,000 can afford the median-priced home in Centre County, leaving the rest priced out of the local housing market.

People seeking affordable housing do not fall neatly into one category. According to the Report of the Centre County Task Force on Affordable Housing released in June 2006, they may have incomes ranging from very low to moderate; they may have a mental illness or disability; they may have a large family or be a single parent; they may be elderly; they may be first-time homeowners. They are our accountants, dental assistants, ambulance drivers, crossing guards. With such a wide range of demographics and needs, it takes an equally wide range of aid programs and organizations to assist them.

## Private for-profits

The people and companies that make a profit on housing.



Louis Biacchi, director of governmental affairs for the Pennsylvania Builders Association, said the builder is critical to the issue. “It is the responsibility of the industry to promote a policy that encourages production of the affordable home. PBA does this through legislation and regu-

lation, as well as judicial work,” he said.

Biacchi said the PBA deals mainly with “work force housing” and is seeking coalition partners and leading efforts to craft legislation mandating improved levels of affordable housing statewide. He said “work force housing” is living space that is affordable to the typical Pennsylvania worker who earns between \$15,000 and \$50,000 gross annual income. “A house is where jobs go to spend the night,” he added.

The other major player in the private for-profit category is the developer. “Developers bring the product to the market,” said Andrew Haines, vice president of S&A Homes’ affordable housing division. “In the planning phase, affordable components are worked into plans,” Haines explained. “Often, these end up getting rejected during public hearing on the developments. People fear that ‘affordable’ housing will negatively affect the value of their property.”

S&A created an affordable housing division seven years ago which aims at the homebuying and rental markets, Haines said, pointing to local projects such as Pleasant Hills and Spring Creek Hills. Real estate agents are also important for-profit players in the housing industry.

“It’s almost a no-win situation for a realtor,” said local agent Nancy Van Lamingham, of ReMax Realty. “If we talk about it, we’re almost blamed for not having any [affordable housing]. It’s a really tricky thing for realtors to get involved.”

“The realtor doesn’t drive the market or affect the cost of homes,” said Bill Sieg, Prudential First Choice Realty owner and president of the Centre County Association of Realtors. “We simply guide our clients through the process of purchasing a home within their means.”

Other private for-profits include building contractors such as Glenn Hawbaker Inc. and Poole Anderson Construction, home builders like CDG Properties and Rider Construction, and architectural firms Haas Building Solutions Inc. and Hayes Large. Other players are real estate companies Kissinger Bigatel & Brower and Mid State Realty, as well as home building stores like O.W. Houts, Lowe’s and Home Depot.

# The Major Players

## Private nonprofits

The people and organizations that help people, often in crisis, find housing.

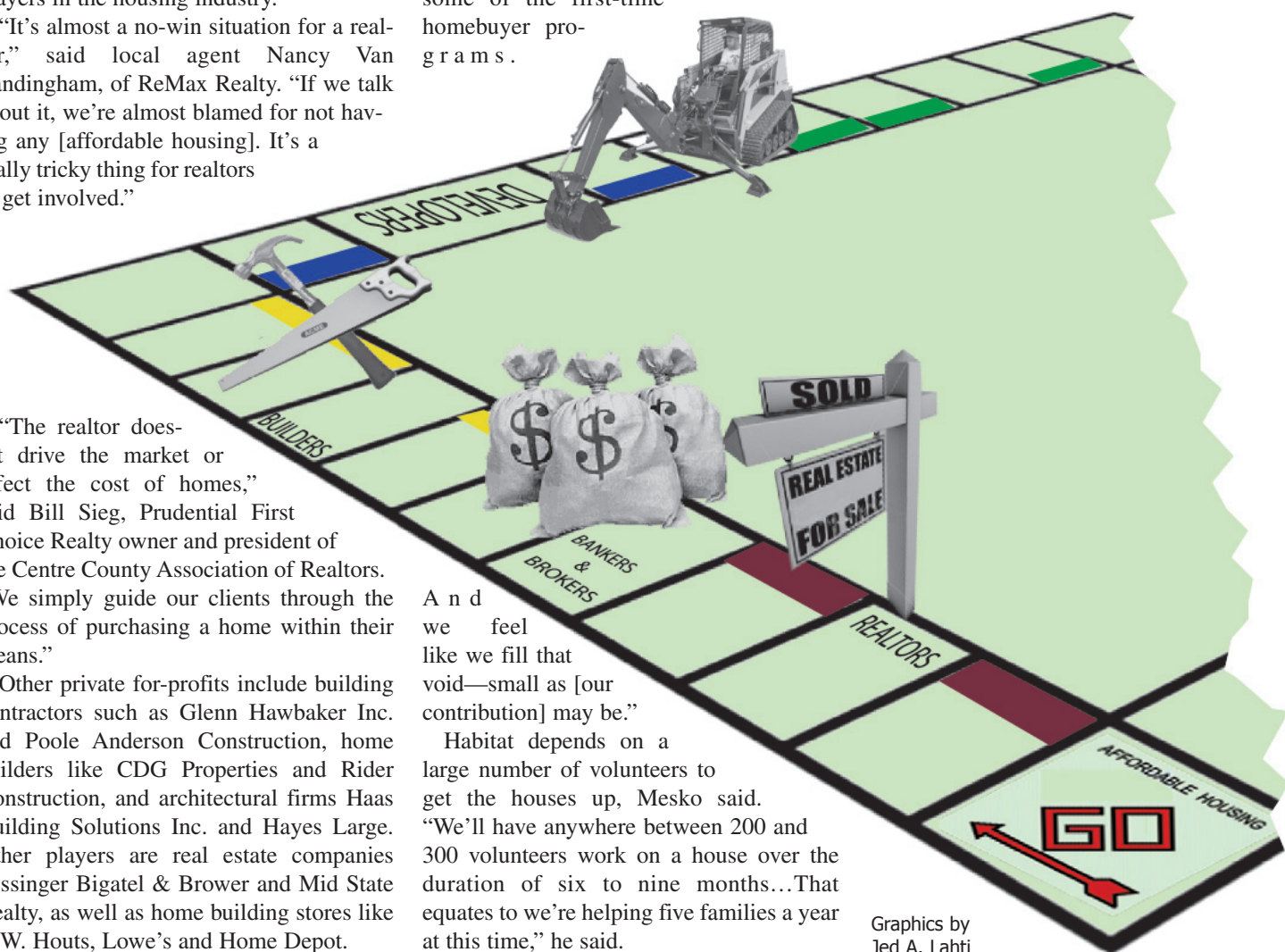


One national nonprofit with roots in the area is Habitat for Humanity of Greater Centre County. Working in partnership with “God and our communities” to build simple, decent, affordable houses for qualified families in need of adequate shelter, HFHGCC Executive Director Tom Mesko said, Habitat helps people who earn 30 to 50 percent of the HUD median income.

“When you see three-bedroom homes going for \$250,000—in my eyes, that’s outrageous. I definitely feel sorry for folks that are in the median income range,” Mesko said. “Folks that are working in the service sector income range, that’s completely out of reach for them—even with some of the first-time homebuyer programs.”

And we feel like we fill that void—small as [our contribution] may be.”

Habitat depends on a large number of volunteers to get the houses up, Mesko said. “We’ll have anywhere between 200 and 300 volunteers work on a house over the duration of six to nine months... That equates to we’re helping five families a year at this time,” he said.



Graphics by  
Jed A. Lahti

# in Affordable Housing

**"The need for affordable housing is too great, and the business of developing affordable housing is too complex for any single organization to accomplish."**

**Centre County Affordable Housing Needs Assessment 2005**



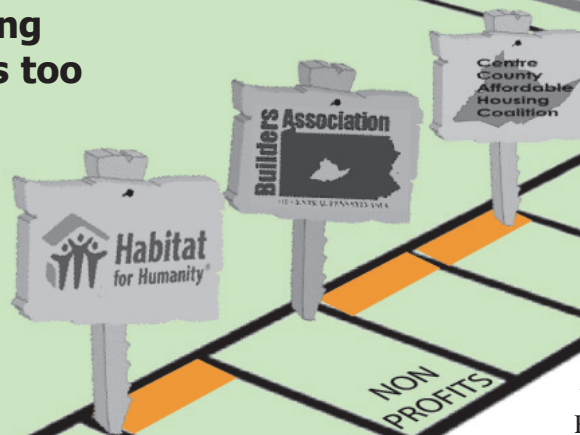
## Government

The institutions we create and people we elect to protect us from the vagaries of the private sector.

Government plays the biggest role in assisting citizens with financing affordable housing, though its role has been shrinking under the Bush administration. The U.S. Department of Housing and Urban Development sits at the foundation of government assistance for affordable housing. Since 1990, HUD has instituted three core programs aimed at expanding the availability of affordable homes nationwide, one of which supplies nonprofits with funds to purchase and develop home sites.

One HUD-funded nonprofit is Shelter Plus Care, based in Bellefonte. The program links directly with local homeless shelters to provide affordable housing for people with mental illness or a serious mental illness coupled with a substance abuse problem, said Coordinator Natalie Corman.

Working with landlords and the housing authority, Corman had 10 people receiving SPC services as of Feb. 1, 2007. Following HUD guidelines, 30 percent of each person's income goes towards rent and then SPC matches that in supportive services,



Corman said. Another source of assistance for those needing affordable housing comes from the U.S. Department of Agriculture.

"We do more than just inspect meat," explained Dorothy Gates, rural development manager.

The USDA issued 53 guaranteed loans last year in Centre County, along with 260 outstanding loans. Gates said that these loans can be for people on fixed incomes, families, single parents—anyone who meets the qualifications for homeowner's income, debt load and repayment ability.

Centre County administers the First-Time Homebuyer Program, a service that provides down payment assistance to residents purchasing their first home in the county. The county's Office of Housing and Community Development manages a Section 8 Rental Assistance Program that helps low-income earners with their rent.

In November 2005, the Centre County Board of Commissioners appointed the Task Force on Affordable Housing in order to examine the Centre County Affordable Housing Needs Assessment: A Blueprint for Action, commonly referred to simply as the "needs assessment." The task force prioritized the recommendations and outlined the duties and responsibilities of major players in the field.

The Borough of State College also offers housing assistance. In November 2003, the borough's Department of Planning and Community Development released an update on the Fair Housing Analysis from 1991 which assessed local housing conditions and cited a continued lack of afford-

able housing. The document listed recommendations to improve housing, noting the borough's continued support of outreach programs assisting individuals with disabilities and the First-Time Homebuyer program within State College.

On a state level, elected officials such as Gov. Ed Rendell, Sen. Jake Corman, Rep. Scott Conklin and Rep. Kerry Benninghoff are the government officials representing this region who have the power to regulate housing, provide incentives and allocate funds to create affordable housing.

## Financial Institutions

The companies and people who profit from financing housing debt.



"Our business is the American dream," reads the tagline for Fannie Mae, a private corporation operating under a congressional charter that directs it to channel its efforts into increasing the availability and affordability of homeownership for low-, moderate-, and middle-income Americans. Fannie Mae receives no government funding and is a shareholder-owned company that ensures the availability of mortgage money by working with lenders.

Playing more of a self-proclaimed supporting role in the process are mortgage bankers, different from brokers because they are employed by banks. "The best they can do is assist individual clients—help determine what they can afford based on their financial situation," said Michael Weyandt, home mortgage consultant for Wells Fargo Home Mortgage in State College.

"My role within the Centre Region affordable housing market is to be able to offer enough options and programs for homebuyers to make an educated decision on what is actually affordable," he said.

For people seeking affordable homes, Weyandt suggested first getting a free pre-approval for a mortgage. The pre-approval lets homebuyers know what size mortgage they are eligible for. Mortgage bankers work closely with real estate agents.

Additional examples of local financial institutions involved with housing include banks with mortgage capabilities such as Nittany Bank and Northwest Savings Bank. Mortgage brokers can be found at places like Advantage Mortgage Services Inc. and Priority Mortgage Group. Two sources of financial assistance outside a traditional bank are the Pennsylvania State Employees Credit Union and Penn State Federal Credit Union, the latter offering free home-buying and financing seminars. Furthermore, the Pennsylvania Housing Finance Agency offers a host of services from awarding loans to potential homebuyers to supplying renters with an online tool that links renters to affordable housing options.

## Working together?

Most players in the affordable housing industry, from developers to real estate agents, government officials to nonprofits, cite land costs as the largest obstacle to affordable housing in the Centre Region. Experts said the scarcity of land around the Centre Region, where there are more jobs, is the cause of high land prices. County Commissioner Chris Exarchos suggested recently that farmland preservation was a cause of increased land prices. Pennsylvania State University owns 7,466 acres of the 712,000 acres that make up Centre County, according to one county official. There are 5,675 acres in farmland preservation, Norm Lathbury, staff member of the farm preservation program, told *Voices*.

The average size of a Centre County farm is 136 acres and there are 1,213 farms in the county, according to report released in 2004 by the National Agricultural Statistics Service, U.S. Department of Agriculture.

The Affordable Housing Coalition has been meeting monthly since 1996. In January, Penn State University sent a representative to the coalition meeting for the first time. Other major employers seeking housing solutions for their employees include Mt. Nittany Medical Center and Foxdale Village Retirement Community.